



SUGAR LAND 4B CORPORATION

AGENDA REQUEST

AGENDA OF:	12-18-13	AGENDA REQUEST NO:	II-A
INITIATED BY:	CHRISTINE RANKIN, EXECUTIVE SECRETARY	RESPONSIBLE DEPARTMENT:	CITY SECRETARY
PRESENTED BY:	GLENDA GUNDERMANN, CITY SECRETARY	DIRECTOR:	GLENDA GUNDERMANN, CITY SECRETARY 
		ADDITIONAL DIRECTOR (S):	N/A
SUBJECT / PROCEEDING:	SUGAR LAND 4B CORPORATION MEETING NOVEMBER 20, 2013 APPROVE MINUTES		
EXHIBITS:	MINUTES NOVEMBER 20, 2013		
CLEARANCES		APPROVAL	
LEGAL:	N/A	DIRECTOR:	REGINA MORALES,  ECONOMIC DEVELOPMENT
RECOMMENDED ACTION			
Approve the minutes of the Sugar Land 4B Corporation meeting November 20, 2013.			
EXHIBITS			

STATE OF TEXAS §
COUNTY OF FORT BEND §
CITY OF SUGAR LAND §

**CITY OF SUGAR LAND
SUGAR LAND 4B CORPORATION MEETING
WEDNESDAY, NOVEMBER 20, 2013**

REGULAR MEETING

The Sugar Land 4B Corporation convened in regular meeting open to the public in Cane Room, 161, of Sugar Land City Hall on Wednesday, November 20, 2013 at 4:00 o'clock P.M. and the roll was called of the members; to wit:

James Clancy, Jr.
Mary Favre
William Hickl
Cynthia Knox
Allan Lazor
Bridget Yeung
Harish Jajoo

QUORUM PRESENT

All of said members were present. Also present were:

Regina Morales, Director of Economic Development
Eugenia Cano, Assistant City Attorney
Robin Hicks, Deputy City Secretary, and
A Number of staff and visitors

CONVENE MEETING

President Yeung convened the session, open to the public, to order at 4:00 o'clock P.M.

MINUTES

President Yeung introduced consideration of and action on approval of the minutes of the Sugar Land 4B Corporation meeting held on October 16, 2013.

Following a full and complete discussion, ***Director Knox***, seconded by ***Director Hickl***, made a motion to approve the minutes of Sugar Land 4B Corporation meeting October 16, 2013. The motion carried unanimously.

CONTRACT GREATER FORT BEND ECONOMIC DEVELOPMENT COUNCIL

President Yeung introduced consideration of and action on authorizing execution of a contract, in the amount of \$30,000.00, by and between Sugar Land 4B Corporation and Greater Fort Bend Economic Development Council (GFBEDC) to promote economic development services for period October 01, 2013 through September 30, 2014.

Ms. Regina Morales, Director of Economic Development, reviewed the annual contract with the Board stating an identical contract will be presented to Sugar Land Development Corporation in December. Each Corporation will have a service contract totaling \$60,000 providing county support for Sugar Land led business relocation projects.

The annual contract has been ongoing for approximately fifteen years. **Ms. Morales** introduced **Mr. Jack Belt, Executive Vice President of Development**. An annual report, a reporting requirement, has been provided to each Director.

Mr. Belt confirmed that all Fort Bend County cities participate, smaller towns, such as Arcola, Pleak, Simonton and Kendleton, are invited to attend meetings even though they are not members. In most cases, these entities do not have an Economic Development division, GFBEDC acts in their behalf in this capacity. Some of the smaller areas such as Simonton and Weston Lakes have executed a contract for services in lieu of membership. These entities want to participate but do not have the financial resource or tax base for membership. The efforts with small towns and rural areas are focused on community development as much as economic development.

Mr. Jeff Wiley, President, addressed the level of participation of other cities.

Missouri City \$25,000
Stafford \$20,000
Rosenberg \$20,000
County \$200,000
Fulshear – trustee membership \$6,000

\$2,000 standard membership
\$6,000 Board or Trustee seat

Marketing participation is a separate negotiation. There has not been a cost increase due to stable staffing levels, well managed resources and level membership. In response to a request for clarification **Mr. Wiley** stated that the amount of assistance to areas with a Contract for Service is dependent on the size of the city and the activities.

In the State of Texas, economic development decisions are made at the local level. Municipalities drive economic development and decision process on participation of incentives, assistance in infrastructure or other issues.

CONTRACT (CONTINUED)

The GFBEDC is the economic development consultant to the County. It is preferred to have unanimous support when working through tax increment proposals, but not all constituencies agree; Sugar Land has produced some of the best examples of why we execute these types of assistance.

The County, Sugar Land and other cities achieved a high level of development as a result of having a focused and mission driven economic development concept.

Following a full and complete discussion, **Director Jajoo**, seconded by **Director Clancy**, made a motion to approve authorizing execution of a contract, in the amount of \$30,000.00, by and between Sugar Land 4B Corporation and Greater Fort Bend Economic Development Council for promotional services for period October 01, 2013 through September 30, 2014. The motion carried unanimously.

CONSTELLATION FIELD

President Yeung introduced review of and discussion on 2013 Constellation Field Performance Report.

Ms. Regina Morales, Director of Economic Development, provided an overview.

City Goal: Minor League Ballpark

- Decade long goal of destination attraction
- Formally recommended by 2007 Citizen Task Force
- Result of many years of effort by City, citizens and public-private partners

Public/Private Partnership

- Investment: \$36 Million
 - Opening Day Partners: \$6 Million
 - Sugar Land 4B Corporation: \$30 Million
 - No General Fund dedicated and is not dependent on ballpark revenues
 - Johnson Development: donation of land

A Community Amenity

- Minor League Baseball at Constellation Field
 - Sugar Land Skeeters – Atlantic League
- Other Events
 - Affordable family entertainment
 - Family gathering location for special events
 - Business networking and company events held at stadium
 - Nonprofits have benefited through fundraising partnerships

Destination Attraction

- Enhances Sugar Land's attractiveness as a destination entertainment location
- Strengthens Sugar Land's overall economic development sustainability

CONSTELLATION FIELD (CONTINUED)
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Inaugural Season Highlights

- Opened April 2012
- Gained National recognition with its unique features such as the Texas shaped scoreboard
- Chosen via fan vote for Baseball America's 2013 Great Parks Calendar
- Skeeters organization was named as runner-up for Baseball Digest's 2012 Organization of the Year

Attraction and Attendance

- Texas teams gate ratings (average home attendance)

Round Rock Express	Triple A	8,339 w/11,000 cap
Frisco Roughriders	Double A	7,697 w/10,316 cap
SUGAR LAND	INDEPENDENT	6,751 W/7,500 CAP
Corpus Christi Hooks	Double A	5,247 w/7,050 cap
Midland Rock Hounds	Double A	4,671 w/6,669 cap
San Antonio Missions	Double A	4,385 w/9,200 cap

- Nationally averaged in top 25
- Over 465,000 attendance for season

2013 Season Highlights

- Constellation Field – Awarded two 2013 HBJ Landmark Awards
 - Community Impact
 - Hospitality/Entertainment
- Skeeters – “Winningest” team in full-season professional baseball in 2013
- Established Atlantic League single-season win record with 95 wins in 2013
- Constellation Field has seen an increase in usage for other events in Year 2 with more than 88,000 for non-baseball events
- Events include festivals, charity events, sports tournaments, company events and corporate meetings

2013 Attendance above Projections

In 2009, CLS International created the Pro Forma providing the marketing analysis and financial feasibility study. This study reflected that the stadium would be economically self-sustaining. The City does not bear any financial responsibility in the operations and maintenance of the facility

CONSTELLATION FIELD (CONTINUED)
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Projected vs Actual Attendance

	Attendance + Events	% Change vs. Pro Forma
Pro Forma: Annual Impact (Baseball & Other)	308,500	N/A
2012 Regular (Baseball + Concerts)	472,511	53.16%
2013 Regular + Playoffs + Special Events YTD	479,656	55.48%

The actual outperformed the projected due to a number of factors

- The markets used in the study typically had more than one minor league baseball team in the area
- The performance of the Houston Astros has caused some fans to seek entertainment with the Sugar Land Skeeters
- The stadium is an exceptional facility and quite different than others

Attendance: Baseball

	2012 Regular Season	2013 Regular + Playoffs
Games	70	71
Total Attendance	465,511	390,726
% Change	N/A	-16.07%
Average Attendance	6,650	5,503

Non-Baseball Events

2012	2013
Full-Time Special Event Staff: 0	Full-Time Special Event Staff: 3
Events: 10	Events: 81
Attendance: 7,000**	Attendance: 88,930

CONSTELLATION FIELD (CONTINUED)
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Sample Events – 2013 YTD

- Constellation Field Events
 - Fan Fest
 - Craft and Trade Show
 - Dodgeball Tournament
 - Kickball Tournament
 - Winter Festival
- Community Events
 - Star Spangled Celebration
 - Diwali Festival
 - Dussehra Mela
 - International Festival
 - Fort Bend County Career Fair
 - JJ Watt Charity Softball Game
 - Southland Conference Baseball
 - And more...
- Corporate Events
 - Local Businesses: Fluor, BP, Nalco, Frost Bank, Republic Services
 - Houston-Galveston Clean Air Conference
 - Houston Roofers Association Conference
 - And more...
- Private and Special Events
 - Gridiron Football
 - Meeting Professionals International Houston
 - Graduations, Proms & Reunions
 - Rehearsal Dinners
 - And more...
- Hosted Groups
 - Total Groups – 48
 - Businesses 18
 - IGR 24
 - Non-Profit 3
 - Tourism 3
- Ticket Allotment
 - Total Distributed 6,825
 - Sugar Land Businesses 5,309
 - IGR, Volunteers, Philanthropic and Employees \$1,516

CONSTELLATION FIELD (CONTINUED)
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Development Agreement Closeout

- Successful Completion of project
- Under Budget
 - \$300K left in contingency
 - Reinvested back for additional equipment
- Next project: Marquee Sign

Constellation Field Success Story

- Development of ballpark under budget – set new standards for quality
- Baseball attendance above projections - highest in Atlantic League
- Skeeters embraced by community & nationally recognized
- Community usage increasing and well- received

Looking Ahead

- Constellation Field: P3 Structure mitigates risk and moves the operating expenses to the partner leasing the venue
 - Ticket sales above threshold for profitability = participation rent sharing with City
 - 60/40 split of ticket sales, suite sales and naming rights over \$2.6 million
 - \$400,000 last year
 - Amount pending for 2013
- Performing Arts Center:
 - Similar P3 structure – ED sales tax bonds, HOT, CO's supported by rent payments
 - Operator incurs all O&M and future capital replacement responsibility

Impact to City

- P3 projects structured to minimize or eliminate risk to City
- Project bond ratings based on current & future CIP thru 2018:
 - Recent Fitch rating: "AAA" Outlook Stable (11/08/13)
 - Rating looks at the debt issuance to date and the next 5 years
 - Park bonds
 - Performing Arts Center
 - Strong Financial Performance/Position: retains ample reserves & liquidity
 - Excellent management practices/policies
 - Sales Tax exposure mitigated (receipts are strengthening)
 - Affluent suburb with stable resource base – residential and commercial

CONSTELLATION FIELD (CONTINUED)
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2013 Tax and Debt Comparison

- Results of the 2013 TML Tax and Debt Survey of 657 cities
- Among 74 cities with population > 25,000 – 400,000:
 - Sugar Land tax rate: Lowest
 - Taxable Value per capita: 2nd Highest
 - Tax Backed Debt as a Percent of Taxable Value: 15th Lowest
 - Sugar Land 2.4%
 - Pearland 4.66%
 - Baytown 3.27%
- Survey proves Sugar Land shows tremendous financial strength in managing its debt structure

Later in the year, the Board will be given an update performance report which will include information on the 2013 Participation Rent and the status of the Marquee Sign.

The Board received confirmation that the Tourism Department works closely with the Skeeters, when proposals for conferences are being considered, to secure room blocks or other forms of assistance. Recently, the Meeting Professionals International Event received invitations to view the suites and information provided for future consideration.

Ms. Morales was asked to review the history of the Stadium Parking Lot. The City receives an \$80,000 annual rent payment. Following acquisition of the 15 acres it was realized that the attendance numbers could be higher than anticipated and additional parking would be needed. The City purchased the additional land; payment to the City is through debt service on the life of the lease.

When asked, it was noted that other economic benefits include

- An increase in hotel rooms as the teams and visitors come to the area.
- Name recognition opportunity across the nation
 - Success of the team provides advertisement that is priceless

WORKSHOP

SUGAR LAND SOCCER ASSOCIATION JOINT CIP BALL PARK LIGHTING IN ELDRIDGE PARK
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President Yeung introduced review of and discussion on Sugar Land Soccer Association Joint CIP application for Ball Park Lighting in Eldridge Park.

Ms. Stephanie Russell, Business Retention Manager, stated the Joint CIP Program provides an opportunity for enhancement of the community through community based organizations initiated public improvements. Participation of Sugar Land 4B Corporation increases the quality of the project and decreases the length of time it normally takes for organizations to fund projects.

WORKSHOP (CONTINUED)

SUGAR LAND SOCCER ASSOCIATION JOINT CIP BALL PARK LIGHTING IN ELDRIDGE PARK (CONTINUED)
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Eligibility Criteria

- Comply with State statutes and Sugar Land
- Does not conflict with City plans
- Applicant participation is 50% or greater
- Proof of financial ability to fund share
- Located within City limits and on public property or easement

Recent Projects

- FY 2013
 - Glen Laurel HOA Fence (\$100,000)
- FY 2012
 - RiverPark – Park improvements (\$33,617)
- FY 2011
 - Venetian Estates – ROW Landscaping (\$27,741)
- FY 2009
 - Dairy Ashford – ROW Landscaping (\$31,198)
 - Avalon – ROW Landscaping (\$24,990)

Application Approval Process

- Contact with the Economic Development Office
- Pre-Application meeting
- Application submittal
- Internal application review (approximately 30 days)
- Sugar Land 4B Corporation meeting
 - Workshop first
 - Consideration and Action (ending an approximate 90 day process)

Sugar Land 4B CIP Program Status

- FY14 Budget: \$100,000
- Funds available: \$100,000
- First come/ first serve basis
- One other application has been submitted that currently does not meet eligibility requirements
 - the applicant has indicated they intend to reapply

WORKSHOP (CONTINUED)

**SUGAR LAND SOCCER ASSOCIATION JOINT CIP
BALL PARK LIGHTING IN ELDRIDGE PARK (CONTINUED)**

Ms. Kimberly Terrell, Parks Development Manager, reviewed the proposed project.

Eldridge Park Lighting Project.

- Applicant: Sugar Land Soccer Club, Mr. James Anhauser
- Project: Complete Phase II & III of Eldridge Park Lighting Plan
 - Phase I was completed through Joint CIP with Sugar Land Soccer Club
 - SL4B contribution was \$61,950
- Includes 4 soccer fields
- Included in Eldridge Park Master Plan approved by Parks Board
- Proposed project meets eligibility criteria

Ms. Russell provided the Board with an illustration the fields locations for Phase II and III and indicated on the map where residential areas are located.

Project Cost

Phase II (Fields #2 & #3):	\$ 97,500*
Phase III (Fields #1 & #7):	\$ 97,500*
Total Project Cost	\$195,000

Sugar Land Soccer Club	\$ 97,500	(50%)
Proposed 4B Contribution	\$ 97,500	(50%)

**Phases completed together*

Project Cost in Separate Phases

Phase II (Fields #2 & #3):	\$105,000
Phase III (Fields #1 & #7):	\$105,000
Total Project Cost	\$210,000 (showing slightly higher total if separated)

Next Steps

- Provide direction on level of participation from SL4B
- Receive confirmation of applicant's ability to fund
- Funding agreement with Sugar Land Soccer Club for consideration at next meeting

The Board expressed concern if the project is approved that the annual funds for Joint CIP will almost be used and would therefore limit the availability of having funds for other projects that may come forward during the year. A suggestion was made to establish a deadline for all applications to be submitted and thereby allow a review of all proposals before committing. *Ms. Morales* stated that initially the process was kept open and flexible understanding that funds are raised at different times of the year. The flexibility currently established, allows all organizations to have the opportunity to come forward with proposals. With the proposals requesting higher participation amounts, it may be time to consider a process that considers a deadline. Staff could create a process proposal and bring forward to the Board for consideration at a future meeting.

WORKSHOP (CONTINUED)

**SUGAR LAND SOCCER ASSOCIATION JOINT CIP
BALL PARK LIGHTING IN ELDRIDGE PARK (CONTINUED)**

Ms. Yeung suggested that consideration be made for funding Phase II only; if other potential organizations are not able to submit applications by July 1, 2014, consideration could then be made for funding Phase III.

Consideration could also be made to increase the annual budget to recognize that though proposals have not been historically brought to the Board for consideration, it now appears that requests could indeed increase in number and the amount of funding requested is increasing. Increasing the budget would provide opportunity to consider more projects. It was noted that the organizations are putting more money into their projects as well.

A suggestion was made to increase publicity for the Joint CIP Participation Program recognizing that not all organizations are aware of the program. *Ms. Morales* stated that information is given during the quarterly Homeowners Association meetings conducted by the City. The representatives attending are reminded that the program is intended for community organizations and the project placed on public property.

Discussion ensued regarding:

- A concern that by placing the July deadline that it was potentially altering the existing program and not fair to the applicant; understanding the program was first come, first serve. *Ms. Morales* stated that the Board's authorization is to determine how much funding is approved for the project presented. Another consideration is, later in the fiscal year, to review the fund balance and determine if there is additional funding available (10% fund balance required) to fund a project proposal.
- A recommendation was made to consider any and all proposals brought forth by July 1, 2014 and not limit to funding Phase III of the current proposed project.
- The Soccer Club would like to have the lighting project completed by October 1, 2014. After discussion on the process with the water lines and truck traffic on the fields, the installation would best be made during June and July.
 - Considering the June/July option, staff would need to bring proposals to the board in May
 - Doing so would maintain the savings of doing both phases at the same time and the Fiscal Year will be far enough along to potentially identify fund savings that could be applied to additional project applications received
 - Any budget carryovers will be applied in January
 - In May the first come, first serve status is not changed
 - The Board can consider funding both phases of the project or fund Phase II and consider funding another application

WORKSHOP (CONTINUED)

**SUGAR LAND SOCCER ASSOCIATION JOINT CIP
BALL PARK LIGHTING IN ELDRIDGE PARK (CONTINUED)**

Fiscal Year 2014 contains a low but projected amount of \$140,000; due to the debt service to the ballpark. The next fiscal year will reflect a higher balance and eventually back to the \$1.2 Million and the availability to easily fund additional projects.

In conclusion, the Board agreed that staff should bring forward a proposal to change the program implementing a one-time application deadline.

- Reasonable and flexible deadline if no applications are received; maintain fairness
- Communication of change extremely important
- Greater publicity to ensure that needed projects are known
- Flexibility to allow consideration of organization's deadlines
- Review of what is to be achieved with the funds when two or more applications are received and decisions being made
 - Judge the project on what merit?
 - How much of the available funds should be approved for competing projects

Soccer Club History

- Soccer Club was founded in 1976; 2016 will celebrate 40 years
- City purchased the land at West Airport and Eldridge; Eldridge park was developed
- Soccer Club played in various fields and enjoyed several corporate sponsorships
- In 1995 there were approximately 15 or 17 teams today have grown to 48 teams (under 6 programs not included); approximately 672 children participating

ADJOURN

There, being no further business to come before the Corporation, ***Director Hickl***, seconded by ***Director Yeung***, moved that the meeting adjourn. The motion carried unanimously and the meeting adjourned, time at 5:12 o'clock P.M.

Bridget Yeung, President

(SEAL)